

Date

Mr. Jeff Reynolds
(through his counsel of record)
Alesia Ardoin
8680 Bluebonnet Blvd. Ste D
Baton Rouge, La. 7081-

Re: Board Docket No. 2021-130

Dear Ms. Ardoin:

The Louisiana Board of Ethics, at its May 7, 2021 meeting, considered your request for an advisory opinion regarding whether the post-employment provisions in the Code of Governmental Ethics would prohibit your client, W. Jeff Reynolds, from being employed as the Chief Financial Officer with Ochsner Clinic Foundation upon the termination of his public employment with LSU Health Services Center-Shreveport.

FACTS

In 2018, LSU Health Services Center-Shreveport ("LSUHSC-S") and Ochsner LSU Health System of North Louisiana ("Ochsner LSU Health"), a private, nonprofit corporation, entered into a Cooperative Endeavor Agreement, for Ochsner LSU Health to operate and provide for the day-to-day management of the hospitals and clinics owned by LSU in Shreveport and Monroe. As a result of the Cooperative Endeavor Agreement, Ochsner LSU Health has a Board of Directors that represents the stakeholders and manages the business affairs of the partnership. The Board of Directors is comprised of ten directors. The President of LSU appoints five directors and Ochsner LSU Health appoints five Directors.

From July 2018 through February 2021, Mr. Reynolds served as the Vice Chancellor for Administration & Finance at LSUHSC-S. As Vice Chancellor, Mr. Reynolds was the chief financial officer and chief administrative officer of LSUHSC-S. As such he supervised the budget, financial reporting, facilities management, supply chain management, auxiliary enterprises, human resources, and information technology. In his role as an employee of LSUHSC-S, Mr. Reynolds served on the Ochsner LSU Health Board of Directors from December 5, 2018, until his resignation in December 2020. Mr. Reynolds did not provide any services in connection with Medicaid reimbursement as an employee of LSUHSC-S.

In Louisiana, the La. Department of Health ("LDH") manages the day-to-day operations of the state's Medicaid program, pursuant to Title 42 CFR § 431.10. LDH enrolls medical providers into the program to provide qualified services to Medicaid eligible clients. As a result, LSUHSC-S physicians are enrolled in the Medicaid program to provide services to Medicaid clients; they do not manage or run the Medicaid program itself. Ochsner LSU Health is responsible for the submission of claims to LDH for the Medicaid services provided by LSUHSC-S physicians.

On March 15, 2021, Mr. Reynolds became an employee of Ochsner Clinic Foundation, which operates a network of thirty-one hospitals in Louisiana and is a separate entity from Ochsner LSU Health. In his employment with Ochsner Clinic Foundation, Mr. Reynolds will provide financing and management of Medicaid reimbursements programs, the development of supplemental payment methodology to maximize Medicaid reimbursements, and consulting and interfacing with public officials and other persons in creating legislation and administrative rules regarding Medicaid reimbursements. Mr. Reynolds will also serve as the Chief Financial Officer (“CFO”) for Ochsner Clinic Foundation’s fifteen community health clinics. In his CFO role, Mr. Reynolds will be responsible for the tracking of revenue and expenditures and the projection of future financial activities associated with the health clinics. Mr. Reynolds will not engage any of the agencies in his former chain of command for any issues related to the Medicaid/Medicare hospital cost reports or billings of LSUHSC-S.

ISSUES

Whether the Code of Governmental Ethics prohibits Mr. Reynolds’s employment with Ochsner Clinic Foundation within two years of his resignation as Vice Chancellor for Administration & Finance at LSUHSC-S?

LAW

La. R.S. 42:1121(A)(1) provides:

No former agency head or elected official shall, for a period of two years following the termination of his public service as the head of such agency or as an elected public official serving in such agency, assist another person, for compensation, in a transaction, or in an appearance in connection with a transaction, involving that agency or render any service on a contractual basis to or for such agency.

La. R.S. 42:1121(B)(1) provides:

No former public employee shall, for a period of two years following the termination of his public employment, assist another person, for compensation, in a transaction, or in an appearance in connection with a transaction in which such former public employee participated at any time during his public employment and involving the governmental entity by which he was formerly employed, or for a period of two years following termination of his public employment, render, any service which such former public employee had rendered to the agency during the term of his public employment on a contractual basis, regardless of the parties to the contract, to, for, or on behalf of the agency with which he was formerly employed.

CONCLUSION

The Board concluded, and instructed me to inform you, that as Vice Chancellor, Mr. Reynolds was the agency head for LSUHSC-S also as a member of the Board Mr. Reynolds served as an agency

head over OLHS-NL. Mr. Reynold's employment with Ochsner Clinic Foundation is not prohibited by Section 1121A(1) since he is not assisting Ochsner Clinic Foundation in transactions involving his former agency, the LSUHSC-S Office of Administration & Finance or OLHS-NL, and he is not rendering any services back to the LSUHSC-S Office of Administration & Finance or OLHS-NL.

The Board further concluded, and instructed me to inform you, that Section 1121B(1) would not prohibit Mr. Reynolds's employment with Ochsner Clinic Foundation, since he is not participating in any transactions in which he participated while employed by LSUHSC-S, and he is not rendering the same services back to the LSUHSC-S.

This advisory opinion is based solely on the facts as set forth herein. Changes to the facts as presented may result in a different application of the provisions of the Code of Governmental Ethics. Please note that the Board issues no opinion as to past conduct and that the Board's expressed opinion is limited to an examination of the Code of Governmental Ethics, the Campaign Finance Disclosure Act, the Lobbyist Disclosure Acts, and the conflict of interest provisions in the gaming laws.

If you have any questions, please contact me at (225) 219-5600 or (800) 842-6630.

Sincerely,

LOUISIANA BOARD OF ETHICS

Suzanne Quinlan Mooney
For the Board

enclosure

DISCLAIMER
This is a draft opinion and it is **NOT** an opinion of the Louisiana Board of Ethics. The analysis and conclusions herein are provided for discussion purposes only, and are subject to change or revision at the meeting of the Board of Ethics at which this matter is considered.